

NONEXCLUSIVE SUBLICENSE AGREEMENT  
FOR  
HOME VIDEO GAME DEVICES

AGREEMENT, having an effective date of \_\_\_\_\_ by and between  
THE MAGNAVOX COMPANY (hereinafter called LICENSOR), a corporation of the  
State of Delaware, U.S.A., having a place of business at 1700 Magnavox Way,  
Fort Wayne, Indiana, U.S.A. 46804 and \_\_\_\_\_ (hereinafter called  
LICENSEE), a corporation of the State of \_\_\_\_\_ having a place of  
business at \_\_\_\_\_

W I T N E S S E T H

WHEREAS, LICENSOR is the exclusive licensee under a plurality of patents  
and patent applications, the titles of which reside in Sanders Associates, Inc.  
(hereinafter called SANDERS), a corporation of the State of Delaware, U.S.A.,  
having an office at Daniel Webster Highway South, Nashua, New Hampshire, 03060.

WHEREAS, LICENSOR has the exclusive right under an agreement dated  
January 27, 1972, as amended by a Supplemental Agreement effective January 1, 1976,  
between itself and SANDERS (hereinafter referred to as OTHER LICENSE AGREEMENT)  
to grant licenses under such plurality of patents and applications.

WHEREAS, LICENSEE desires a nonexclusive sublicense under certain patents  
of such OTHER LICENSE AGREEMENT:

NOW THEREFORE, for and in consideration of the mutual understanding and  
obligations herein set forth, the parties hereto agree as follows:

Exhibit D

## ARTICLE I

### DEFINITIONS

1.01 As used herein, the following terms shall have the defined meanings:

(a) LICENSED PRINCIPAL PATENTS shall mean the following Patents and Patent Applications:

<u>United States Application No.</u>	<u>Filing Date</u>	<u>United States Patent No.</u>	<u>Issue Date</u>
		3,497,829	02/24/70
		3,599,221	08/10/71
		3,659,284	04/25/72
		3,659,285	04/25/72
		3,728,480	04/17/73
		3,737,566	06/05/73
		3,778,058	12/11/73
		3,829,095	08/13/74
		RE 28,507	08/05/75
		RE 28,598	10/28/75
		3,921,161	11/18/75
		4,034,990	07/12/77
679,301	04/22/76		
810,538	06/27/77		
810,542	06/27/77		

and any and all reissues, divisions, continuations and extensions of any such Patents and Patent Applications.

(b) LICENSED SECONDARY PATENTS shall mean the Patents and Patent Applications of the Countries of Argentina, Australia, Belgium, Canada, France, Great Britain, Greece, Holland, Hong Kong, India, Israel, Italy, Japan, Mexico, Singapore, Spain, Sweden, Switzerland, Venezuela, West Germany, and West Malaysia which are set forth in the Attached Exhibit A, and any and all reissues, divisions, continuations and extensions of any such Patents and Patent Applications in such Countries.

(c) LICENSED PATENTS shall mean both LICENSED PRINCIPAL PATENTS and LICENSED SECONDARY PATENTS.

(d) LICENSED PRODUCT shall mean any consumer or home electronics type game apparatus (including any housing, power supply, controls, and means of attachment to a television receiver or monitor), which comprises a home game and employs apparatus, circuits, systems, methods or improvements covered by one or more of LICENSED PATENTS (as defined above), with such coverage being determined by and to the extent of that provided by the law of the country of Licensed Patent issuance, for the generation, display, control, manipulation, and use of symbols, geometric figures, or other objects on cathode ray tubes such as television-type displays. The term LICENSED PRODUCT as used herein shall not include any apparatus, circuits, systems, methods, or improvements covered by LICENSED PATENTS for coin-operated amusement games or other type of commercial amusement games not intended primarily for home use, and further shall not include in its meaning any apparatus, circuits, systems, methods, or improvements covered by LICENSED PATENTS for a home game built into or provided as an integral part of a television receiver. If any home game which is not a LICENSED PRODUCT comprises a LICENSED PRODUCT when considered in combination with an accessory unit (such as a toy pistol or rifle) which is removably connectable to such home game, one such accessory unit which is not sold with a home game (the total of which are hereinafter referred to as the first quantity) shall, for royalty determining purposes, be considered in combination with such a home game as comprising a LICENSED PRODUCT notwithstanding such accessory unit is not sold with such home game. The term LICENSED PRODUCTS as used herein shall include LICENSED PROGRAMMABLE PRODUCTS, LICENSED ACCESSORIES, LICENSED PROGRAMS, and LICENSED NON-PROGRAMMABLE PRODUCTS. A LICENSED PROGRAMMABLE PRODUCT shall be a home game comprising a LICENSED PRODUCT which includes a control unit (such as a microprocessor) and one memory unit (either residing and incorporated in the housing of the control unit or removably connectable thereto) which when connected together for operation comprises, in combination, apparatus, circuits, systems, methods or improvements covered by one

memory unit residing and incorporated in its housing, such that a combination exists in that housing which comprises a LICENSED PROGRAMMABLE PRODUCT, one unincorporated such memory unit (the total of which are hereinafter referred to as the second quantity), whether or not sold together with a control unit shall, for royalty determining purposes, be considered in combination with such a control unit as comprising a LICENSED PROGRAMMABLE PRODUCT. LICENSED ACCESSORY shall mean each accessory unit in excess of those of the first quantity which is not sold with a home game and which when connected for operation with a home game comprises in combination therewith apparatus, circuits, systems, methods or improvements covered by one or more of LICENSED PATENTS. LICENSED PROGRAM shall mean each memory unit not incorporated in the housing of a control unit, in excess of those of the second quantity, which when connected for operation with a control unit comprises in combination with the control unit a LICENSED PROGRAMMABLE PRODUCT. LICENSED NON-PROGRAMMABLE PRODUCTS shall include any home game comprising a LICENSED PRODUCT which does not come within the definition of LICENSED PROGRAMMABLE PRODUCT, LICENSED ACCESSORY or LICENSED PROGRAM.

(e) NET SELLING PRICE for each LICENSED PRODUCT shall mean the invoice price of the equipment comprising each LICENSED PRODUCT, F.O.B. Inland Carrier at Factory of LICENSED PRODUCT manufacture. All invoice prices hereunder shall be determined after deduction of trade and quantity discounts but before deducting any other item and shall be understood not to include commodity taxes, insurance premiums for transportation, transportation costs and special packaging costs charged for separately, if any.

(f) TERRITORY shall mean The United States of America.

(g) DOLLARS shall mean United States of America Dollars.

(h) SUBSIDIARY shall mean any corporation (including any legal entity similar thereto) or other kind of business organization in which LICENSOR or LICENSEE, as

interest". The term SUBSIDIARY also includes any other corporation or other kind of business organization in which such a corporation or business organization controlled by said LICENSOR or LICENSEE, now or hereafter during the term of this Agreement has a "controlling interest". "Controlling interest" in the case of a corporation or business organization shall mean direct or indirect ownership or control by LICENSOR or LICENSEE of that number of the shares of said corporation, entity, or organization which represents the right to elect a majority of the directors of the corporation, or persons performing similar functions; and in the case of any other kind of business organization, it means that direct or indirect ownership or control of the capital thereof, or other interest therein, by or through which LICENSOR or LICENSEE exercises or has the power to exercise in any manner, directly or indirectly, control or direction thereof.

## ARTICLE II

### LICENSES AND RIGHTS

2.01 LICENSOR hereby grants to LICENSEE, subject to the reservations and conditions set forth herein, a nonexclusive license under LICENSED PRINCIPAL PATENTS, without the right to sublicense, to make and have made LICENSED PRODUCTS in and for the TERRITORY and a nonexclusive license under LICENSED PRINCIPAL and SECONDARY PATENTS to use and sell LICENSED PRODUCTS made or had made by LICENSEE hereunder in the Countries of Argentina, Australia, Belgium, Canada, France, Great Britain, Greece, Holland, Hong Kong, India, Israel, Italy, Japan, Mexico, Singapore, Spain, Sweden, Switzerland, United States of America, Venezuela, West Malaysia and West Germany.

2.02 Nothing herein shall be construed as preventing or restricting either party from manufacturing, using, or selling any product in any country or territory, it being understood, however, that no licenses under patents expressed or implied, are hereby granted except under LICENSED PRINCIPAL and SECONDARY PATENTS as defined in Paragraph 1.01 (a) and (b) of Article I, and to the extent set forth in Paragraph 2.01 of this Article II.

2.03 LICENSOR hereby warrants that it has the right to grant the license herein granted to LICENSEE.

### ARTICLE III

#### CONSIDERATION

3.01 In consideration of the nonexclusive licenses herein granted by LICENSOR to LICENSEE, LICENSEE agrees to and shall make payment to LICENSOR as follows:

(a) An initial payment of One Hundred Thousand DOLLARS (\$100,000.00) due and payable to LICENSOR upon execution of this Agreement. This initial payment shall be considered as an advanced nonreturnable royalty payment creditable for royalties which become due under the nonexclusive license.

(b) A basic royalty for the patent license based on a percentage of the NET SELLING PRICE for each LICENSED PRODUCT made, had made, used and/or sold under any of the LICENSED PRINCIPAL PATENTS on and after the effective date of this Agreement as follows:

(i) Five Percent (5%) of the NET SELLING PRICE for each LICENSED PRODUCT for the first Two Hundred Fifty Thousand (250,000) LICENSED PRODUCTS made, had made, used and/or sold under this Agreement;

(ii) Four Percent (4%) of the NET SELLING PRICE for the next Two Hundred Fifty Thousand (250,000) LICENSED PRODUCTS made, had made, used and/or sold under this Agreement; and

(iii) Three Percent (3%) of the NET SELLING PRICE for each LICENSED PRODUCT in excess of Five Hundred Thousand (500,000) LICENSED PRODUCTS made, had made, used and/or sold under this Agreement.

(c) A royalty for the patent license based on a percentage of the NET SELLING PRICE for each LICENSED PRODUCT used, sold, or otherwise disposed of (except as scrap), under any of the LICENSED SECONDARY PATENTS on and after the effective date of this Agreement, said percentage being one percent greater than the applicable percentage for the basic royalty as set forth in Paragraph 3.01 (b) above.

(d) A credit shall be allowed against the royalty payable under subparagraph 3.01 (c) in an amount equal to any basic royalty paid under subparagraph 3.01 (b) for the same LICENSED PRODUCT.

#### ARTICLE IV

##### MAXIMUM AND MINIMUM ROYALTY SCHEDULES

4.01 Should any computed royalty payment payable by LICENSEE to LICENSOR under the provisions of subparagraphs 3.01 (b) and (c) hereof for LICENSED NON-PROGRAMMABLE PRODUCTS be less than the following minimum royalty during the term of this Agreement, then LICENSEE shall make payment of the applicable minimum royalty in lieu of said computed royalty as follows:

<u>Calendar Year</u>	<u>Minimum Royalty</u>
1976	\$1.00 per LICENSED PRODUCT (if applicable)
1977	\$0.75 per LICENSED PRODUCT
Thereafter	\$.50 per LICENSED PRODUCT

4.02 Should any computed royalty payable by LICENSEE to LICENSOR under the provisions of subparagraphs 3.01 (b) and (c) hereof for LICENSED PROGRAMMABLE PRODUCTS be either more than a maximum royalty of \$1.50 per LICENSED PROGRAMMABLE PRODUCT or less than a minimum royalty of \$1.00 per LICENSED PROGRAMMABLE PRODUCT



during the term of this Agreement, then LICENSEE shall make payment of the respective maximum or minimum royalty for those LICENSED PROGRAMMABLE PRODUCTS in lieu of said computed royalty.

## ARTICLE V

### PAYMENTS

5.01 All payments made by LICENSEE to LICENSOR are to be in United States DOLLARS, or any other currency acceptable to LICENSOR, at their offices in Fort Wayne, State of Indiana, United States of America.

5.02 LICENSEE shall make timely withholding and payments to appropriate authorities in the TERRITORY for the account of LICENSOR of any applicable withholding taxes or any other appropriate governmental taxes due from payments remitted by LICENSEE to LICENSOR. LICENSEE shall see that LICENSOR is given full credit with the appropriate government authorities for having paid such taxes and shall send to LICENSOR an official return and receipt reflecting any such payments.

## ARTICLE VI

### REPORTING OF ROYALTIES

6.01 LICENSEE, within thirty (30) days after and as of the end of each calendar quarter of each year during the term of this Agreement shall furnish to LICENSOR a royalty report specifying:

(a) the total number of LICENSED PRODUCTS which have been made, had made, used, sold, or otherwise disposed of (except as scrap) in any country by LICENSEE, on a country by country basis, during the preceding calendar quarter;

(b) in separate listings the number and types of LICENSED PROGRAMMABLE PRODUCTS, LICENSED ACCESSORIES, LICENSED PROGRAMS and LICENSED NON-PROGRAMMABLE PRODUCTS used and/or sold during the preceding calendar quarter and the prices thereof upon which royalties are based;

(c) the amount or amounts due to LICENSOR.



pursuant to Paragraph 6.02 above.

6.02 Each report so submitted or submitted under the terms of Paragraphs 6.03 or 6.04 below shall be accompanied by the payments due to the LICENSOR.

6.03 The first such royalty report shall be furnished to LICENSOR within thirty (30) days after this Agreement is signed by both parties and shall cover and include all LICENSED PRODUCTS made, had made, used, sold, or otherwise disposed of (except as scrap) by LICENSEE and its SUBSIDIARIES from April 25, 1972 through December 31, 1977.

6.04 LICENSEE agrees to make a written report to LICENSOR within thirty (30) days after the date of any termination by LICENSEE of any license under a LICENSED PATENT received by LICENSEE under this Agreement and within thirty (30) days of the termination of this Agreement howsoever arising, stating in such report the number and NET SELLING PRICES of all LICENSED PRODUCTS sold or otherwise disposed of and the number of LICENSED PRODUCTS manufactured but not sold or otherwise disposed of, and upon which royalty not previously reported to LICENSOR is payable in consequence of such LICENSED PATENT(S).

6.05 LICENSEE shall retain, for a period of six (6) years after making a royalty report, the records, files and books of account prepared in the normal course of business, which contain data reasonably required for the computation and verification of the amounts to be paid and the information to be given in such report. LICENSEE shall permit the reasonable inspection, at reasonable times during normal business hours, at LICENSOR'S expense, of such records, files, and books of account, by a certified public accountant acceptable to LICENSEE. Said accountant shall be permitted to inspect said records, files, and books and LICENSEE shall give said accountant such other information as may be necessary and proper to enable the amounts of payments payable hereunder to be accurately ascertained. Neither LICENSOR nor said accountant shall disclose to anyone, directly or indirectly, any of the information which they obtain as a result of any such inspection, and such accountant shall report to LICENSOR only the amount of royalty due and payable.

6.06 LICENSEE shall pay interest at the rate of One and One-Half Percent (1-1/2%) per month on any sums due from LICENSEE to LICENSOR and not paid by their due date.

6.07 In order to insure to LICENSOR the full royalty payments contemplated hereunder, LICENSEE agrees that, in any event any LICENSED PRODUCTS shall be sold (1) to a corporation, firm, or association which, or individual who shall own a controlling interest in LICENSEE by stock ownership or otherwise, or (2) to a corporation, firm or association in which LICENSEE or stockholders of the LICENSEE, or any subsidiary company of the LICENSEE shall own, directly or indirectly, a controlling interest by stock ownership or otherwise, or (3) to a corporation, firm, or association with which, or individual with whom LICENSEE or its stockholders or subsidiary companies shall have any agreement, understanding, or arrangement (such as, among other things, an option to purchase stock, or an arrangement involving a division of profits or special rebates or allowances) without which agreement, understanding, or arrangement, prices paid by such corporation, firm, association, or individual for LICENSED PRODUCTS would be higher than the NET SELLING PRICE reported by the LICENSEE, or if such agreement, understanding, or arrangement results in extending to such corporation, firm, association, or individual lower prices for LICENSED PRODUCTS than those charged to outside concerns buying similar merchandise in similar amounts and under similar conditions, then, and in any of such events, the royalties to be paid hereunder in respect of such LICENSED PRODUCTS shall be based upon the NET SELLING PRICE at which the purchaser of LICENSED PRODUCTS so sold resells such PRODUCTS rather than upon the NET SELLING PRICE of the LICENSEE; provided, however, that the LICENSEE shall not be obligated under the foregoing to pay royalty based upon selling prices in excess of the standard net selling price at which it or any of the organizations or individuals associated with it as specified in this Paragraph shall sell LICENSED PRODUCTS to any wholly independent jobber or distributor.

7.01 The word "termination" and cognate words such as "term" and "terminate" used in this Article VII are to be read, except where the contrary is specifically indicated, as omitting from their effect the following rights and obligations, all of which shall survive any termination to the degree necessary to permit their complete fulfillment or discharge:

(a) LICENSEE'S obligation to supply a terminal report in respect to terminated rights as specified in Section 6.04 of Article VI.

(b) LICENSOR'S right to receive or recover and LICENSEE'S obligation to pay royalties accrued or accruable for payment at the time of any termination.

(c) LICENSEE'S obligation to maintain records and LICENSOR'S right to conduct a final audit as provided in Section 6.05 of Article VI.

(d) licenses under LICENSED PRINCIPAL and SECONDARY PATENTS running in favor of customers or transferees of LICENSEE in respect to LICENSED PRODUCTS sold or transferred by LICENSEE prior to any termination of this Agreement or of any license arising under this Agreement, subject to payment by LICENSEE of any royalties payable with respect to such LICENSED PRODUCTS.

(e) any cause of action or claim of either party, accrued or to accrue, because of any breach or default by the other party.

7.02 Unless otherwise terminated as provided in Section 7.03, 7.04 or 7.05 of this Article VII this Agreement shall run to the end of the life of the last to expire of the LICENSED PRINCIPAL and SECONDARY PATENTS and shall thereupon terminate.

7.03 At any time after July 1, 1979 LICENSEE shall have the right to terminate this Agreement as a whole or its license and concomitant future obligations in respect to any LICENSED PRINCIPAL and SECONDARY PATENTS, provided there is no default hereunder, by ninety (90) days written notice to the LICENSOR; but such

termination shall not operate to relieve the LICENSEE from its obligation to make a termination report hereunder or from its liability for payment of royalties on sales made hereunder prior to the date of such termination.

7.04 Unless otherwise specified herein, if either LICENSOR or LICENSEE shall default in the performance of any of the terms and provisions of this Agreement to be performed by it, and such default shall not be cured within sixty (60) days after written notice of such default is given by the nondefaulting party to the defaulting party, then at any time after the expiration of such sixty (60) days, the nondefaulting party may give written notice to the defaulting party of its election to terminate this Agreement. Thereupon, this Agreement shall terminate on the date specified in such notice, which shall not be less than thirty (30) days following the receipt of such last mentioned notice. Such right of termination shall not be exclusive of any other remedies or means of redress to which the nondefaulting party may be lawfully entitled, it being intended that all such remedies be cumulative.

7.05 If either LICENSOR or LICENSEE should be dissolved, or should file a voluntary petition in bankruptcy, or an order should be entered pursuant to any law relating to bankruptcy or insolvency appointing a receiver or trustee for said party, then LICENSOR or LICENSEE, as the case may be, within sixty (60) days thereafter may give written notice to the party filing such petition in bankruptcy or subject to such order of its desire to terminate this Agreement. Thereupon, this Agreement shall terminate on the date specified in such notice, which shall not be less than thirty (30) days following the filing of such notice.

#### ARTICLE VIII

##### NO LEGAL REPRESENTATION

8.01 Nothing contained in this Agreement shall be construed as conferring any license or right with respect to any trademark, trade, or brand name, the corporate name of either party or any of its subsidiaries, or any other name or mark, or any contraction, abbreviation, or simulation thereof.

ARTICLE IX

DISCLAIMER OF WARRANTIES--SAVE HARMLESS

9.01 To the best of LICENSOR'S knowledge, all LICENSED PRINCIPAL and SECONDARY PATENTS are valid, but LICENSOR does not guarantee the validity thereof. LICENSOR further does not warrant that the manufacture, use, installation, or sale by LICENSEE of the LICENSED PRODUCTS does not or shall not infringe the patents or other rights of persons not a party hereto. LICENSOR shall promptly advise LICENSEE of any notice received by LICENSOR of any claimed infringement. LICENSOR shall not be obliged to defend or hold LICENSEE harmless against any suit, claim, demand, or action based on actual or alleged infringement of any patents or other rights belonging to persons not a party to this Agreement. Any such infringement by LICENSEE shall not relieve it from performance of its obligations hereunder.

9.02 LICENSOR hereby disclaims any and all liability or responsibility whatsoever for any loss or damage arising out of the production, design, sale, installation, or use of LICENSED PRODUCTS manufactured or sold by LICENSEE under this Agreement. LICENSOR does not warrant that such LICENSED PRODUCTS are or will be of merchantable quality or fit for any particular purpose for which they may be bought or used.

ARTICLE X

INFRINGEMENT BY THIRD PARTIES

10.01 LICENSEE shall promptly inform LICENSOR upon learning of any infringement of LICENSED PATENTS.

10.02 LICENSOR agrees to bring and prosecute such suits for infringement of the LICENSED PATENTS as may reasonably be necessary to protect unlicensed competition from materially interfering with the business of the LICENSEE hereunder. However, LICENSOR shall not be obligated to bring more than one such suit at a time, or against more than one type of infringing device at a time.

## SUBSIDIARIES

11.01 This Agreement shall be binding upon and inure to the benefit of the SUBSIDIARIES and successors of each party hereto. It shall not be otherwise assignable by either of the parties hereto, in whole or in part, to any third party whatsoever, nor shall the rights hereof of either of the parties hereto otherwise be or become in any way, directly or indirectly, transferable or available to, or divisible or capable of being shared with, or inure to the benefit of any third party without the prior written consent of the other party hereto.

11.02 LICENSEE shall be responsible for, and hereby assumes full liability in respect of all royalty reports and payments for all LICENSED PRODUCTS made, made for, used, sold, or otherwise disposed of by its SUBSIDIARIES during the term of this Agreement.

## ARTICLE XII

### MARKING

12.01 LICENSEE agrees to mark all LICENSED PRODUCTS sold by it under the license herein granted with the word "Patents" or "Patent" and the numbers or number of the patents or patent applicable thereto. LICENSOR shall give LICENSEE timely notice of any additional patents issuing pertaining to LICENSED PRODUCTS.

## ARTICLE XIII

### CONVERSION OF LICENSOR LICENSE WITH SANDERS TO A NONEXCLUSIVE LICENSE

13.01 In the event that LICENSOR converts its license from SANDERS in the U.S.A. to a nonexclusive license, then LICENSEE shall from the date of notice of such conversion to a nonexclusive license, consider SANDERS the LICENSOR in this



Agreement and shall make all payments and be responsible for all obligations under this Agreement to SANDERS.

#### ARTICLE XIV

##### NOTICES

14.01 Any notice or request required or permitted to be given under or in connection with this Agreement or the subject matter hereof shall be deemed to have been sufficiently given when, if given to LICENSEE, it shall be addressed to

and when, if given to LICENSOR, it shall be addressed to

Director of Licensing  
The Magnavox Company  
100 East 42nd. Street  
New York, New York 10017

and in each case sent by Registered Air Mail, postage prepaid. The date of receipt shall be deemed to be the date on which such notice or request has been given. Either party may give written notice of a change of address; and after notice of such change has been received, any notice or request shall thereafter be given to such party as above provided at such changed address.

#### ARTICLE XV

##### WAIVER--SEVERABILITY

15.01 Waiver--The Waiver by either party of a breach or default in any of the provisions of this Agreement by the other party shall not be construed as a waiver by such party of any succeeding breach of the same or other provisions; nor shall any delay or omission on the part of either party to exercise or avail itself of any right, power, or privilege that it has or may have hereunder



operate as a waiver of any such right, power or privilege by such party.

15.02 Severability--If any term, clause, or provision of this Agreement shall be judged to be invalid, the validity of any other term, clause, or provision shall not be affected; and such invalid term, clause, or provision shall be deemed deleted from the contract.

#### ARTICLE XVI

##### GOVERNING LAW

16.01 This Agreement shall be governed by and construed, and any claim or controversy arising with respect thereto shall be determined, in accordance with the laws and in the competent courts of New York.

#### ARTICLE XVII

##### COMPLIANCE BY PARTIES WITH LAWS OF THEIR OWN GOVERNMENTS

17.01 LICENSEE shall at all times comply, at its own expense, with all applicable laws, regulations, and orders of the government of the United States of America and all departments, instrumentalities, or political subdivisions thereof, relating to or in any way affecting this Agreement and the performance by LICENSEE and/or LICENSOR hereunder. LICENSEE shall, at its own expense, negotiate and obtain any approval, license or permit it may need in the performance of its obligations; shall declare, record, or take such other steps as required to render this Agreement binding; and shall make all payments required of it under this Agreement.

17.02 LICENSOR shall at all times comply, at its own expense, with all applicable laws, regulations, and orders of the Government of the United States of America, and of all states, departments, instrumentalities, or political subdivisions thereof, relating to or in any way affecting this Agreement and the performance by LICENSOR and/or LICENSEE hereunder.

ARTICLE XVIII

ASSIGNMENT

18.01 Except as otherwise provided herein, LICENSEE shall not assign, transfer, sublicense, sublet, or encumber its interest in this Agreement or rights granted herein in any manner without the written consent of LICENSOR.

ARTICLE XIX

INTEGRATION

19.01 This instrument contains the entire and only agreement between the parties and supersedes all pre-existing agreements between them respecting its subject matter. Any representation, promise, or condition in connection with such subject matter which is not incorporated in this Agreement shall not be binding upon either party. No modification, renewal, extension, waiver, and (except as provided in Article VII hereof) no termination of this Agreement or any of its provisions shall be binding upon the party against whom enforcement of such modification, renewal, extension, waiver, or termination is sought, unless made in writing and signed on behalf of such party by one of its executive officers, or in the case of LICENSOR, by a duly authorized officer or the Director of Licensing. As used in this Article XIX, the word "termination" includes any and all means of bringing to an end prior to its expiration by its own terms this Agreement, or any provision thereof, whether by release, discharge, abandonment, or otherwise.

ARTICLE XX

MORE FAVORABLE TERMS

20.01 In case LICENSOR shall grant a license under any LICENSED PRINCIPAL PATENTS under which a license is granted hereunder to any manufacturer of consumer or home type amusement games in said TERRITORY other than a company in which LICENSOR has a substantial interest, direct or indirect, such as N.V.

Philips Gloeilampenfabrieken or any of its subsidiaries which license will permit such company or manufacturer to manufacture and sell for any use within the scope of the license herein granted at rates of royalty lower than that provided for in this Agreement (excepting licenses the consideration for which consists in whole or in part of patent rights or other rights of such substantial value as in the opinion of the LICENSOR are sufficient to warrant a reduction in royalty rates below the rates provided for herein, or the acceptance of such rights in lieu of royalties), the LICENSOR will promptly notify the LICENSEE of the grant of such license and furnish it with a copy thereof, and the LICENSEE shall have the option, at any time within thirty (30) days after the submission to it of a copy of such license agreement, to enter into a similar license agreement with LICENSOR and to substitute the same in place of this Agreement.

IN WITNESS WHEREOF, the parties hereto cause their corporate names to be affixed by their respective duly authorized officers or representatives.

THE MAGNAVOX COMPANY

By \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

Attest:

\_\_\_\_\_

By \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

Attest:

\_\_\_\_\_